

Connecticut State Board of Accountancy – October 02, 2007 – Minutes

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Connecticut State Board of Accountancy  
October 02, 2007  
Minutes

Chairman Reynolds called the meeting to order at 8:30 A.M. in the second floor conference room, 30 Trinity Street, Connecticut.

Present:

Thomas F. Reynolds, CPA, Chairman  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr., CPA  
Richard H. Gesseck, CPA  
Leonard M. Romaniello, Jr., CPA  
Richard L. Sturdevant  
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director  
Rebecca E. Adams, Esquire, Board Counsel  
Angel D. Acevedo, Office Assistant

Motion made by Richard Gesseck and seconded by Philip DeCaprio to accept and approve the minutes of the September 05, 2007 State Board of Accountancy meeting.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant

-No votes against and no abstentions. (James S. Ciarcia and Michael Weinshel were not present at the time of this vote.)

Proposed Meeting Dates for 2008:

- Tuesday, January 08, 2008
- Tuesday, February 05, 2008
- Tuesday, March 11, 2008
- Tuesday, April 01, 2008
- Tuesday, May 06, 2008
- Tuesday, June 03, 2008
- Tuesday, July 01, 2008
- Tuesday, August 05, 2008
- Wednesday, September 03, 2008
- Tuesday, October 07, 2008

➤ Tuesday, November 04, 2008

➤ Tuesday, December 02, 2008

Motion made by Philip DeCaprio and Leonard Romaniello to approve the selected meeting dates for the 2008 calendar year.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant

-No votes against and no abstentions. (James S. Ciarcia and Michael Weinshel were not present at the time of this vote.)

In a review of Board operations Director Guay briefed the Board by providing a written summary:

### **October 2, 2007 Executive Director's Operations Update and Review**

#### **Licensing Database**

- Continues as highest priority special project
- Continuing testing, in final stages
  - Public lookup testing completed
  - Final testing of individual renewal application completed
  - Final testing of firm renewal application completed
  - Final testing of back end database continues
- Funding of the project remains a question
- Renewal notice and form completed
- Web Q and A being drafted and designed

#### **100th Anniversary**

- Commemorative Portfolio designed and ordered
- Invitation list created
- Anticipated Anniversary Agenda – meeting at the Capitol, light breakfast refreshments
  - Remarks by the Board
  - Remarks by the Governor
  - Remarks by Legislative Leaders
  - Suggestions for other speakers?

Motion made by James Ciarcia and seconded by Richard Gesseck to approve the October 02, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Motion made by Richard Sturdevant and seconded by Philip DeCaprio to approve the October 02, 2007 list of Firm Permit to Practice applications.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Representatives from both NASBA and Prometric were present:

- Doug Porta, Prometric
- Kimberly Farace, Prometric
- Pat Hartman, NASBA
- Lorraine Sachs, NASBA

In his presentation, Doug gave board members an overview of the relationship between NASBA and Prometric. Where it is NASBA's main role to manage candidates, it is Prometric's role to deliver the exam to candidates; exam security; scheduling and registration; communication of results to AICPA; distribution of AICPA created exam content and support software to the testing centers.

The board was very concerned with the number of problems candidates were experiencing, as detailed in the CPR. Doug explained to the board that CPR's report everything, whether they affect a candidate's ability to successfully complete the exam, or not. Prometric and NASBA want to ensure candidates have a positive experience, and therefore want to be alerted as issues arise. Furthermore, Doug also said, "*CPR's must be looked at in great detail to really appreciate the data.*"

NASBA has made other efforts, as well, to allow for a much easier process for candidates. Such as, shortening the turnaround time for scheduling exams from eight weeks to four weeks; provided all application materials are accurate, and complete.

Next item on the agenda: Appointing Professor Rosman as CPA Exam Liaison for the Board. However, Richard Bond put forth the motion, and was seconded by James Ciarcia to move this item into the executive portion of the meeting. All the Board members voted in favor of this motion.

Attorney Adams gave the Board an update on the Regulations she has in process; she is currently working on the fiscal note for the PA Conversion Regulation and submit to the Attorney Generals office. The Permanent Education Regulation is ready for submission.

Mobility was discussed, and the Board decided to accept NASBA's model of the Uniform Accountancy Act. The Board instructed attorney Adams they would like to see a draft of the mobility legislation to be discussed at the November 06, 2007. The Board expects to introduce the Mobility Legislation during the 2008 Legislative Session.

Under Public Comment:

- Prof. Larry Grambling, University of Connecticut. Briefly addressed the NASBA and Prometric representatives.
- Arthur Renner, Executive Director of Connecticut Society of CPA's. Addressed the Board with the announcement of the upcoming October 29, 2007 certificate ceremony.
- Prof. Andrew Rossman, University of Connecticut. Briefly addressed the NASBA and Prometric representatives with questions and concerns about the CPA exam.

Richard Bond put forth a motion to approve NASBA's focus questions response. Leonard Romaniello seconded the motion; All voted in favor.

### **PUBLIC SESSION**

#### **ENFORCEMENT AGENDA**

**October 2, 2007**

#### **A. REQUESTING SETTLEMENT APPROVAL – LATE 2006 CPE FILING/EARNING**

1. 2007098-2979 Bogen, Charles
2. 2007053-3053 Follini, George
3. 2007034-3034 Sandford, Sarah

Motion made by Richard Gesseck and seconded by Leonard Romaniello to accept Attorney Adams request for settlement approval in cases: 2007098-2979, Bogen, Charles; 2007053-3053, Follini, George; 2007034-3034, Sandford, Sarah.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

#### **B. REQUESTING SETTLEMENT APPROVAL**

##### **2005026-2839 KPMG – Xerox financial restatements and SEC settlement**

Settlement requires immediate payment of \$50,000 and on-going access to and participation in the SEC's independent assessment of KPMG's compliance with the terms of the KPMG-SEC settlement.

##### ***Recommending settlement approval***

Motion made by Philip DeCaprio and seconded by Michael Weinshel to accept Attorney Adams request for settlement approval in case # 2005026-2839, KPMG.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

##### **2006024-2922 KPMG – Tax shelters**

Settlement requires immediate payment of \$100,000 and KPMG sponsorship of Board designed, hosted, and chaired continuing education symposium. The board shall exercise sole control over the content of the symposium and all KPMG Connecticut personnel must attend.

##### ***Recommending settlement approval***

Motion made by Michael Weinshel and seconded by Richard Gesseck to accept Attorney Adams request for settlement approval in cases: 2005026-2839, KPMG; 2006024-2922, KPMG- Tax Shelters.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

As a result of the ruling in case number 2006024-2922, KPMG, the Board members were all in favor of creating a task force, consisting of Attorney Adams, Director Guay, and Michael Weinshel, in which the Board will design, host, chair an educational symposium. Practitioners throughout the state will be invited, as well as, all KPMG personnel who must attend at a date still to be determined.

Motion made by Richard Bond and seconded by Leonard Romaniello at 10:55 A.M. to enter into Executive Session.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Motion made by James Ciarcia and seconded by Philip DeCaprio to come out of Executive Session at 11:45 A.M.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

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A motion was made by James Ciarcia and seconded by Leonard Romaniello to table the appointment of professor Andrew Rosman as a CPA Exam Liaison for the Board.

Voting in favor:

Thomas F. Reynolds  
Richard P. Bond  
James S. Ciarcia  
Philip J. DeCaprio Jr.  
Richard H. Gesseck  
Leonard M. Romaniello, Jr.  
Richard L. Sturdevant  
Michael Weinshel

-No votes against and no abstentions.

Motion made by Richard Bond and seconded by Richard Gesseck to adjourn the October 02, 2007 Board Meeting; all voted in favor. The meeting was officially closed at 11:46 A.M.